

# **Managing the Customer Experience**

**MMP\_5\_MCE**

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## **Introduction**

This report will use research and theoretical concepts to critically evaluate the service process, physical evidence, and people management of the London Hilton on Park Lane, a five-star luxury hotel. These elements are crucial in shaping competitive advantages and influencing customer satisfaction (Lovelock and Wirtz, 2016). Following this, strategic recommendations will be proposed to improve these business areas based on the report's findings.

## **Process:**

Enhancing organisational processes should be a strategic priority, as efficient processes may result in customer loyalty through positive experiences (Bitner et al., 2017). However, critics argue that emotional engagement may outweigh effective processes in determining customer revisit intention (Shoukat and Ramkissoon, 2022).

Firstly, customers assess their experiences during moments of truth in service encounters (Wilson et al., 2020). Hilton aims to enhance moments of truth by providing extensive staff training, which often correlates with high firm performance (Campbell et al., 1990). For instance, Hilton offers access to Massive Open Online Courses. MOOCs are a cost-effective, highly impactful method of employee training (Hamori, 2018). Hilton's courses such as 'Managing Difficult Interactions' guide staff to tailor services to customer needs while managing person/role conflicts (Lovelock et al., 2011). This is essential as it is common for frontline staff to be presented with challenging customers (Mahesh and Kasturi, 2006). Notably, MOOCs have been widely critiqued, particularly regarding the challenges in accurately assessing learning outcomes, and their low completion rates raise concerns about their overall effectiveness (Jordan, 2015).

Next, the theatrical metaphor (Grove and Fisk, 2004) is highly relevant to the hospitality industry, as it can be used to analyse the behaviour of staff during front-of-house

interactions and back-of-house service. This approach is common in the hospitality industry (Mullins, 2019). Emotional labour may improve the customer's evaluation of service quality when perceived as sincere (Wilson et al., 2020). However, long-term surface acting may lead employees to experience emotional dissonance, which is detrimental to employee wellbeing (Chu et al., 2012). Furthermore, customers may perceive the surface acting of employees as cynical, leading to negative service evaluations (Fisk and Grove, 1992).

Finally, over the past 12 months, Hilton's use of technology has changed to accommodate changing traveler communication preferences. Hilton's consumer trends research has indicated intergenerational consumer demand for connectivity, personalisation, and digital integration during hotel stay experiences (Hilton, 2024). As a result, guests are now able to send inquiries and requests to hotel staff via mobile messaging during their stay (Stories from Hilton, 2024). As 70% of guests who used this service stated it improved the satisfaction of their stay (Stories from Hilton, 2024), the approach may be strongly effective. However, while digital communication enhances convenience, it may reduce face-to-face interactions, a fundamental aspect which influences service quality (Lovelock et al., 2021; Uysal and Williams, 2013). Furthermore, digital interactions lack non-verbal communication cues which co-create positive guest experiences (Islam & Kirillova, 2021) and it may not be preferred by all guests (Ide et al., 2024).

### **Physical evidence:**

Customers use a company's physical evidence to predict the quality of service which will be provided (Booms and Bitner, 1982; Park et al., 2019). However, critics argue that both tangible and intangible factors equally influence customer satisfaction (Chon, 1989). This

argument was rebutted by Bitner (1990), who contended that isolating ‘physical evidence’ ensures managers do not overlook important factors.

Firstly, colour, light intensity, and light temperature influences the emotional reactions of customers to service environments (Mehrabian and Russell, 1974). Visual cues may be the most significant sensory dimensions impacting customer satisfaction and consumption in hotels (Geng et al., 2023). At the Hilton on Park Lane, lighting and color schemes vary across different areas of the hotel, each tailored to serve distinct functional and aesthetic purposes. For instance, in the lobby area, dim, warm lighting is used (see Appendix 1). Researchers suggest that dim, warm lighting encourages social bonding (Kombeiz et al., 2017), which is effective as group interactions often occur in the lobby. Furthermore, this lighting facilitates collaborative conflict resolution (Steidle et al., 2017), which may encourage guests to avoid confrontational behaviour when communicating complaints to reception staff. The understanding that human behaviour can be predicted and manipulated using colour and lighting aligns with the stimulus-response model (Kotler, 1997). This approach fails to consider variations in behaviour due to individual differences, such as personality and culture (Foxall, 2004). Furthermore, excessive exposure to warm lighting may negatively impact lobby staff by leading to fatigue and lower productivity (Figueiro and Rea, 2014), which can negatively affect service quality.

Over the past twelve months, the hotel has adapted its physical evidence by introducing a new restaurant, Park Corner Brasserie (see Appendix 3). The restaurant’s internal design aims to signal the hotel’s association with British heritage through drawing attention to the proximity between the hotel and Hyde Park (Hilton, 2024). This is attempted through the use of a green, natural colour scheme and bronze materials (Kilburn, 2023). Whilst association with British heritage may enhance a customer’s quality assessment of the restaurant (Wang and Lamb, 1983), critics argue that there is insufficient empirical evidence to support the claim that hotel interior aesthetics directly influence consumer perceptions of quality (Alfakhri, 2018).

## **People:**

In their influential examination of service marketing, Lovelock et al. (2011, p.302) argued that interaction with service staff is the most critical factor that impacts a customer's evaluation of service quality. Whilst this understanding has been widely supported (Gummesson, 2007; Kotler, 1967), critics have argued that the finding undermines the significance of variables such as hotel features and the personal characteristics of visitors (Radojevic et al., 2017).

A key element of managing people for service advantage is ensuring staff understand organisational culture (Tsai, 2011) and embody company values (Dorkenoo et al., 2022). The Hilton Hotels chain has partially credited its 'Great Place To Work' accreditation to the company's strong workplace culture and staff adherence to founding visions (Mullins, 2019, p.574; Great Place To Work, 2024). The Hilton attempts to socialise employees into this conformity during employee onboarding, as Human Resources (HR) trains employees to follow the founder's vision of spreading the "light and warmth of hospitality," through displaying values such as integrity, leadership, and teamwork (Hilton, 2017). Whilst adherence to strong organisational culture and values ensures consistency, it may lead to organisational resistance to change and career advancement challenges for individuals who do not fit the organisation's cultural norms (Nyimbili et al., 2023). Furthermore, rigid organisational cultures overlook the impact and integration of diverse subcultures within an organisation (Parker, 2000).

Next, organisations must prioritise enabling staff to understand their role within the marketing process (Woodruffe, 1995). Over the past twelve months, the Hilton on Park Lane has adapted their approach to involving staff from various functions in the marketing process by implementing monthly cross-departmental meetings executed by HR, supervisors, and general managers. These meetings involve discussions aiming to leverage staff for service advantage by collecting insights on customer needs and pain points, leading to seamless and effective customer experiences. This practice aligns with the service-dominant logic theory (Lusch and Vargo, 2014), which highlights the role of

employees in co-creating value for customers. Cross-functional collaboration can lead to competitive advantages and enhance business offerings (Hoai et al., 2021). However, critics have argued that this technique is challenging to execute effectively (Karpen et al., 2012) and the cost-effectiveness has not been proven (Katsifarakis and Theodosiou, 2023).

## **Recommendations**

Based on earlier findings, Hilton may improve service processes by encouraging staff to engage authentically with guests, rather than promoting surface-level emotional labour. Using mindfulness technique training to coach staff on emotional regulation and using emotional intelligence to navigate moments of truth may improve the wellbeing of staff, improve the sincerity of guest interactions, and lead to greater customer satisfaction (Kernbach and Schutte, 2005).

Next, Hilton may improve physical evidence by adapting a flexible approach to lighting design. As excessive exposure to dim lighting may lead to reduced staff productivity and stimulate guest fatigue, smart lighting systems may be installed. For instance, brighter, cool lighting may be implemented in the evenings to improve the alertness of night shift staff (Lok et al., 2018). Furthermore, integrating simple signature scents (such as floral fragrances) in hotel areas, such as the lobby, may lead to increased consumer spending (Herrmann et al., 2013) and enhance the experiential effects of physical cues which signal the hotel's proximity to Hyde Park.

Finally, Hilton may improve people management by adopting a more inclusive, flexible organisational culture that embraces diverse subcultures (Parker, 2000). Implementing flexible leadership approaches, such as Kotter's change model (Kotter, 1996), may mitigate the challenges of cultural rigidity. For instance, cultural differences in the workplace will be considered (Hofstede, 1980) and Hilton's strategic approaches may be adapted to meet local market demands.

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## **Appendix:**

Appendix 1: The Lobby



Appendix 3: Park Corner Brasserie

